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UNCLAS SECTION 01 OF 05 HANOI 001416

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STATE PASS TO USTR FOR E. BRYAN

E.O. 12958: N/A

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SUBJECT: The Ambassador's June 13 Meeting with the Prime Minister

Summary

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1. (SBU) The Ambassador met June 13 with Prime Minister Phan Van Khai to discuss the latter's upcoming trip to the United States and a number of pending issues, including Vietnam's WTO accession bid. The Prime Minister expressed his commitment to using his visit to construct the framework for further deepening the two countries' friendship and building a long-term, stable partnership. Although Vietnam is committed to concluding its bilateral WTO negotiations with the United States now, the Prime Minister proposed that, in case no conclusion is reached during his visit, the two sides strive to conclude "major agreements about Vietnam's WTO bid." He also requested President Bush voice support for Vietnam's WTO accession during their post-meeting press availability. He argued for Vietnam's status as a market economy and urged the United States to lift Jackson-Vanik and grant Vietnam permanent Most Favored Nation status (i.e., Permanent Normal Trade Relations).

2. (SBU) Summary, cont'd: The Prime Minister agreed with the Ambassador's call for better cooperation and coordination in health-related issues and observed that an Adoptions Agreement is within reach. He expressed optimism about concluding an IMET Agreement before his visit and pledged increased transnational crime and counternarcotics cooperation (and suggested having positions in our respective embassies for this purpose.) The Prime Minister concluded the meeting by asking for the Ambassador's advice on how to raise the issue of Agent Orange while in the United States, a subject that his domestic public opinion would not let him avoid. Should the PM discuss the issue, the Ambassador urged him to acknowledge the disabilities assistance the USG has already provided Vietnam and note the need for increased scientific research. During the over one-hour meeting, PM Khai was relaxed, well-briefed and clearly looking forward to his upcoming trip. End Summary.

PM's Visit to Build the Framework for Future Relations

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3. (SBU) The Ambassador met for over an hour June 13 with Prime Minister Phan Van Khai. Vice Foreign Minister Le Van Bang, Office of the Government External Relations Deputy Director Nguyen Thu Do and Pol/C also attended. The Prime Minister opened the meeting by thanking the Ambassador for the USG's cooperation and help in preparing for his visit. For its part, the GVN is working hard to make the visit a success, including sending two advance teams, a first for Vietnam. The official delegation will also be one of Vietnam's largest ever, with one Deputy Prime Minister, five ministers and ten vice ministers. This shows the great importance Vietnam attaches to the visit, which will help to promote cooperation in areas related to politics, economics, science and technology, defense and security. On the occasion of the tenth anniversary of bilateral relations, the visit reflects the positive developments in bilateral relations and will help to construct the framework for further deepening the two countries' friendship and building a long-term, stable partnership in the interests of both sides, the PM said.

4. (SBU) The Ambassador responded that the United States shares Vietnam's aspirations for and views on this important visit. With its auspicious timing on the tenth anniversary of diplomatic ties, there is no better symbol of where our relationship is and how far it has come. Many people in the United States still do not know about the Vietnam of today, and the PM's visit will help to educate them. Both sides are currently working on a draft joint statement, and we are aware that the Prime Minister made a personal and important contribution to it. In addition, we have been working hard to conclude a number of official and commercial agreements. In fact, a senior Consular Affairs official will soon arrive to continue discussions on an Adoptions Agreement, the Ambassador noted.

WTO

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15. (SBU) Another focus of the PM's visit will be economic issues, including Vietnam's WTO accession efforts, the Ambassador continued. The PM's stops in Seattle and New York City will underscore the extent that bilateral trade and investment ties have grown. That said, both sides agree that more is possible, and, to that end, Vietnam's WTO accession is key. The United States continues to support Vietnam's WTO aspirations and we are looking forward to this week's market access negotiations. We also applaud the work that the GVN and the National Assembly are doing to bring Vietnam's laws and regulations into compliance with the WTO. Both the bilateral and multilateral tracks are vital to achieving Vietnam's goal, and it is clear that Vietnam is taking these tasks seriously.

#### Need Better Health Cooperation

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16. (SBU) Another important bilateral topic that will come up during the visit is health cooperation, particularly in the areas of HIV/AIDS and Avian Influenza (AI), the Ambassador said. The story of our cooperative efforts is a good one, but people will want hear the Prime Minister's assurances about how Vietnam will tackle the tasks before it. There are considerable funds available to contribute to the fight against HIV/AIDS, but we need to meet our targets, and this requires increased bilateral cooperation. On AI, the key is the degree to which Vietnam is transparent and willing to work with the international community in a constructive way. The United States and other donors have additional funds to support Vietnam and want to work through the WHO and FAO. There is much press and other interest in the possibility of a pandemic and what Vietnam will do to prevent this. There has so far been much good work, but more cooperation with the Ministry of Health (MoH) is possible and needed. For example, the USG has offered USD 2.5 million to Vietnam's National Institute for Hygiene and Epidemiology (NIHE) to help increase Vietnam's surveillance and diagnostic capability, but we have not yet received the MoH's agreement, the Ambassador observed.

#### Vietnam's Media Strategy Critical

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17. (SBU) Many other issues will be raised during the PM's visit, and the extent to which Vietnam can convey its message through the U.S. media will be critical. The Ambassador described the goodwill towards Vietnam he encountered among academics, businesspeople and private citizens during a recent trip to the United States. Having a good media message is the best way to reinforce and strengthen this goodwill. At the same time, there may also be some in the United States who, during the PM's visit, will speak out against improving bilateral relations. However, although these voices do not reflect the general attitude towards Vietnam in the United States, in America's open society all voices are allowed to be heard. During the trip, the PM and his delegation will have a wonderful opportunity for Vietnam to ensure its voice is heard, the Ambassador noted.

#### With the Press, a Presidential Statement of WTO Support

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18. (SBU) Expressing his hope for the chance to have further in-depth conversations during the visit, the Prime Minister invited the Ambassador to accompany him during his travel in the United States. Continuing, the PM expressed his hope that the Adoptions Agreement could be finalized to allow it to be signed during the visit. On WTO accession, Vietnam attaches great importance to acceding, and therefore has dispatched Deputy Prime Minister Vu Khoan and several vice ministers to back up the negotiating team in Washington. Vietnam has a strong determination to conclude its bilateral talks with the United States now. In the event that concluding the talks is not possible, the Prime Minister expressed his Government's hope that the two sides will still be able to arrive at "major agreements about Vietnam's WTO bid." Vietnam also hopes that, during the press availability after the meeting with the President, the President will express his support for Vietnam's WTO accession, the PM said.

19. (SBU) On health cooperation, the Prime Minister promised to pass the Ambassador's points to the Minister of Health. Vietnam recognizes and appreciates President Bush's support for Vietnam's fight against HIV/AIDS. To address health-related issues during the visit, the Minister of Health has joined the official delegation, and Vietnam hopes to promote further cooperation in this area, the PM said.

"Recognize Vietnam as a Market Economy, Lift Jackson-Vanik"

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110. (SBU) Vietnam has undergone 20 years of reform in which it has been transformed from a planned economy to a market economy and recorded enormous achievements, the PM continued. Vietnam will continue with its "doi moi" (renovation) process to further improve market mechanisms and institutions. In recent years, Vietnam has adopted many active measures to integrate more into the regional and global economies. Therefore, Vietnam hopes that the United States will recognize Vietnam as a market economy. Although much remains to be done, in terms of building a market economy, Vietnam has done in 20 years what developed countries took centuries to achieve. Vietnam would thus like the United States to lift Jackson-Vanik and grant permanent Most Favored Nation status (i.e., Permanent Normal Trade Relations). Vietnam has a strong will to change, and the National Assembly is determined to bring Vietnam's laws in line with WTO standards, the PM emphasized.

Human Rights and Religious Freedom: "Much Progress"  
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111. (SBU) The Prime Minister will take every opportunity to express Vietnam's position and opinions during contacts with the American media. For example, in the areas of human rights and religious freedom, there are still differences between the United States and Vietnam. Vietnam has undertaken measures to better the situation, but needs more time to make further improvements. This is an issue with historic roots in Vietnam because war divided the country in two, and there have been serious domestic tensions. In the past, regulations such as the new Ordinance on Religion or the Prime Minister's Instruction on Protestantism would not have been supported by the public. Through efforts at national reconciliation and with the support of the people, Vietnam has been able to issue these and other regulations. In keeping with the PM's Instruction, local authorities now increasingly recognize churches and provide them with favorable conditions. Local authorities also know that they have to give religious adherents equal treatment. One problem in some of these regions is there may be some activities that are influenced by outsiders. The GVN fully understands that certain ethnic minorities still face great difficulties and that their education levels are low. The Government's policy is to support these people. In the near future, new churches will continue to open up, the Prime Minister pledged.

Promise of Declaration of Independence Not Yet Fulfilled  
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112. (SBU) In terms of human rights and democracy, Ho Chi Minh borrowed from the American Declaration of Independence to write Vietnam's own Declaration, the PM continued. However, due to wars, Vietnam has not been able to fulfill the promise of this Declaration. During the "doi moi" process, the freedom of the Vietnamese people has been strongly promoted for the better. Under "former regimes," the economy was made up of state-run and collectivized sectors. However, with Vietnam's new Enterprise Law, people are free to engage in business and rewarded economically if they succeed. "I would like to reaffirm to you that, during the 'doi moi' process, freedom and democracy have been improved," the PM said. Every country must develop in its own way and according to its own conditions, and the Prime Minister expressed his hope that the USG and the President will understand the situation in Vietnam in order to discuss issues of mutual concern. "I believe my visit will enable our two countries to develop relations further in this new era," the Prime Minister said.

Keeping up the Relationship's Momentum  
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113. (SBU) During the PM's visit, his interlocutors will want to hear more about his thoughts on expanding Vietnam's market economy, increasing space for religious believers and growing democracy in Vietnam, the Ambassador said. Furthermore, we will need to look beyond the visit in order to keep up the momentum in the bilateral relationship. On WTO, for example, although we will likely see progress, regardless of whether there is an agreement in the next two weeks, we must continue our efforts. For example, part of the WTO accession process will be a Congressional vote on PNTR for Vietnam. Subsequently, entering the WTO will set the stage for Vietnam to host APEC, an opportunity which brings its own set of challenges, the Ambassador said.

Religious Freedom Progress, Human Rights Dialogue  
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114. (SBU) Thanking the Prime Minister for his comments on religious freedom and human rights, the Ambassador noted that we had seen good progress in recent months. Provided Vietnam implements consistently its new laws and

regulations, the stage will be set for removing the Country of Particular Concern designation and, more importantly, Vietnam will eventually become a country in which people are allowed to practice religion freely. Our two governments are currently discussing how to renew our Human Rights Dialogue to create the foundation for discussing important issues in a spirit of mutual respect. There are many possible areas in which we can agree and make progress, creating even more goodwill in the United States.

Transnational Crime, Mil-Mil, Fullest Possible Accounting  
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15. (SBU) Another issue we will continue to address in the months ahead is the need to raise our counternarcotics and transnational crime efforts to a new level of operational cooperation, the Ambassador continued. Nothing will happen overnight, but we need to start the process that will lead us in the right direction. Similarly, the Prime Minister's meeting with the Secretary of Defense will be an excellent opportunity to explore how to broaden our military-to-military relationship. We remain hopeful that we will be able to reach an IMET Agreement soon.

16. (SBU) We will also need to continue to focus on fullest possible accounting cooperation. We have made good progress recently, particularly in regards to Central Highlands operations, underwater searches and archival access, and we are particularly grateful to the GVN for agreeing to allow a resumption of Central Highlands activities. While all of these joint efforts are important, we also look forward to Vietnam's unilateral efforts. For its part, the USG remains committed to helping Vietnam whenever possible to account for its own missing, the Ambassador said.

17. (SBU) Responding to the Ambassador on the subject of transnational crime and other cooperation, the Prime Minister said that the USG and the Ministry of Public Security (MPS) can take steps to promote cooperation, exchange information and cooperate in the fight against crime and narcotics trafficking. Perhaps the USG and GVN could establish positions in their respective embassies for this purpose, the PM suggested. On IMET, the Prime Minister expressed his complete agreement and said the MFA will be in contact soon. Vietnam wishes to take a step-by-step approach in expanding our defense relationship and is looking to participate someday in peacekeeping operations through medical or demining activities. However, English-language communication difficulties make this difficult, the Prime Minister said.

Agent Orange  
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18. (SBU) Expressing agreement with the Ambassador's points on fullest possible accounting, the Prime Minister sought the Ambassador's advice on how to deal with the Agent Orange (AO) issue while in the United States. "If nothing is mentioned, this will be unacceptable to Vietnamese public opinion," the PM said. "Where and when would raising the issue be acceptable?" he asked. The Ambassador responded that it would be best to raise AO in a way that acknowledged USG efforts over the past 15 years (with an expenditure of USD 35 million) to meet disabilities needs in Vietnam. Furthermore, in expressing a desire for continued U.S. efforts, a call by the Prime Minister to increase scientific efforts would be well received. This is a subject that Minister of Health Chien can raise with HHS Secretary Leavitt, or perhaps the PM can raise it during his public remarks in Boston. In any case, there are constructive and unconstructive ways to address this issue, and often the way it is treated in the press in Vietnam is not beneficial to bilateral relations, the Ambassador noted.

19. (SBU) In August, there will be a DoD-funded seminar to share our experiences with Vietnam in cleaning up toxic chemical sites. This is the kind of cooperation we like to see, the Ambassador stressed. However, there is a need for better coordination and cooperation at the ministerial level between our two Governments so that, when useful projects are approved, we can finish them successfully. Unfortunately, we recently had to cancel a birth defects study project because, even after two years, we still could not work out how to proceed, the Ambassador said. The Prime Minister had no substantive reaction to the Ambassador's points.

20. (SBU) Comment: Throughout the meeting, Prime Minister Khai was relaxed and clearly looking forward to his upcoming trip. He seemed well-briefed and had a complete grasp of the various issues the Ambassador raised. End Comment.

MARINE